

# UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

(THE FIGURES HAVE NOT BEEN AUDITED)

	Current Quarter Ended 30/09/2020 RM'000	Comparative Quarter Ended 30/09/2019 RM'000	9 Months Cumulative To Date 30/09/2020 RM'000	Comparative 9 Months Cumulative To Date 30/09/2019 RM'000
Revenue	2,663,326	2,885,127	6,312,252	8,636,280
Operating Expenses	(2,604,285)	(2,831,045)	(6,261,275)	(8,445,839)
Other Operating Income	22,462	34,295	62,235	97,596
<b>Profit From Operations</b>	<b>81,503</b>	<b>88,377</b>	<b>113,212</b>	<b>288,037</b>
Share Of Results Of Associates And Joint Ventures	94,251	79,356	96,493	211,145
Investment Income	10,337	15,812	40,458	52,033
<b>Profit Before Interest</b>	<b>186,091</b>	<b>183,545</b>	<b>250,163</b>	<b>551,215</b>
Finance Costs	(26,548)	(31,043)	(86,399)	(107,823)
<b>Profit Before Taxation And Zakat</b>	<b>159,543</b>	<b>152,502</b>	<b>163,764</b>	<b>443,392</b>
Taxation And Zakat	(41,922)	(21,280)	(51,420)	(87,576)
<b>Profit For The Period</b>	<b>117,621</b>	<b>131,222</b>	<b>112,344</b>	<b>355,816</b>
<b><u>Other Comprehensive Income/(Loss):</u></b>				
Translation Of Foreign Operations	20,077	(13,526)	45,002	(17,692)
Share Of Other Comprehensive Income of Associates	324	215	153	668
Cash Flow Hedge	(29)	(15)	81	5
Other Comprehensive Income/(Loss) Net Of Tax	20,372	(13,326)	45,236	(17,019)
<b>Total Comprehensive Income For The Period</b>	<b>137,993</b>	<b>117,896</b>	<b>157,580</b>	<b>338,797</b>
<b><u>Profit For The Period Attributable To:</u></b>				
Owners Of The Company	101,282	110,293	67,160	253,984
Holders of Perpetual Sukuk	-	-	34,829	34,829
Non-Controlling Interests	16,339	20,929	10,355	67,003
	<b>117,621</b>	<b>131,222</b>	<b>112,344</b>	<b>355,816</b>
<b><u>Total Comprehensive Income/(Loss) Attributable To:</u></b>				
Owners Of The Company	110,299	100,401	129,847	241,765
Holders of Perpetual Sukuk	-	-	34,829	34,829
Non-Controlling Interests	27,694	17,495	(7,096)	62,203
	<b>137,993</b>	<b>117,896</b>	<b>157,580</b>	<b>338,797</b>
<b>Earnings Per Share For The Period (Sen)</b>	<b>8.67</b>	<b>9.44</b>	<b>5.75</b>	<b>21.74</b>

(The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.)

**UMW HOLDINGS BERHAD**  
(COMPANY NO : 198201010554 (90278-P))  
(INCORPORATED IN MALAYSIA)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>(UNAUDITED)</b>	<b>(AUDITED)</b>
	<b>AS AT</b>	<b>AS AT</b>
	<b>30/09/2020</b>	<b>31/12/2019</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant And Equipment	2,500,008	2,701,692
Investment Properties	272,403	170,768
Leased Assets	356,485	357,947
Right-Of-Use Assets	164,719	195,260
Investments In Joint Ventures	61,045	54,870
Investments In Associates	1,910,579	1,866,512
Deferred Tax Assets	130,447	135,160
Other Investments	4,992	5,991
	<u>5,400,678</u>	<u>5,488,200</u>
<b>Current Assets</b>		
Other Investments	1,025,152	1,071,881
Derivative Assets	2,726	5,598
Inventories	1,321,017	1,589,567
Trade Receivables	845,623	1,242,966
Other Receivables	140,838	211,110
Deposits, Cash And Bank Balances	1,603,527	1,472,111
	<u>4,938,883</u>	<u>5,593,233</u>
Non-Current Assets Held For Sale	-	53,240
	<u>4,938,883</u>	<u>5,646,473</u>
	<u>10,339,561</u>	<u>11,134,673</u>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity Attributable To The Equity Holders Of The Company</b>		
Share Capital	584,147	584,147
Capital Reserve	396	396
Hedging Reserve	48	(33)
Fair Value Reserve	4,749	4,596
Foreign Currency Translation Reserve	18,529	(32,634)
Retained Profits	3,188,861	3,139,925
	<u>3,796,730</u>	<u>3,696,397</u>
Perpetual Sukuk	1,097,860	1,097,860
Non-Controlling Interests	1,255,498	1,303,828
<b>Total Equity</b>	<u>6,150,088</u>	<u>6,098,085</u>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	40,050	39,094
Provision For Warranties	217,381	216,647
Lease Liabilities	50,759	56,408
Long Term Borrowings	1,601,489	2,123,422
	<u>1,909,679</u>	<u>2,435,571</u>
<b>Current Liabilities</b>		
Derivative Liabilities	1,066	2,901
Provision For Warranties	64,638	61,138
Provision For Taxation	32,937	31,400
Short Term Borrowings	540,517	386,361
Trade Payables	541,328	562,139
Other Payables	1,074,518	1,514,422
Lease Liabilities	24,790	37,607
Liabilities Associated With Assets Held For Sale	-	5,049
	<u>2,279,794</u>	<u>2,601,017</u>
<b>Total Liabilities</b>	<u>4,189,473</u>	<u>5,036,588</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>10,339,561</u>	<u>11,134,673</u>
<b>Net Assets Per Share (RM)</b>	<b>3.2498</b>	<b>3.1639</b>

(The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.)

# UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))

(INCORPORATED IN MALAYSIA)

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2020

(THE FIGURES HAVE NOT BEEN AUDITED)

	Non - Distributable					Distributable				
	Share Capital RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	Total RM'000	Perpetual Sukuk RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
<b>9 MONTHS ENDED 30 SEPTEMBER 2020</b>										
At 1 January 2020	584,147	4,596	396	(32,634)	(33)	3,139,925	3,696,397	1,097,860	1,303,828	6,098,085
Transactions with owners										
Dividends distributed to equity holders	-	-	-	-	-	(23,366)	(23,366)	-	(41,234)	(64,600)
Effect of dilution of interest in a joint venture and an associate	-	-	-	(11,290)	-	5,142	(6,148)	-	-	(6,148)
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	(34,829)	-	(34,829)
Total comprehensive income	-	153	-	62,453	81	67,160	129,847	34,829	(7,096)	157,580
At 30 September 2020	584,147	4,749	396	18,529	48	3,188,861	3,796,730	1,097,860	1,255,498	6,150,088

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2019

(THE FIGURES HAVE NOT BEEN AUDITED)

	Non - Distributable					Distributable				
	Share Capital RM'000	Fair Value Reserve RM'000	Capital Reserve RM'000	Foreign Currency Translation Reserve RM'000	Hedging Reserve RM'000	Retained Profits RM'000	Total RM'000	Perpetual Sukuk RM'000	Non - Controlling Interests RM'000	Total Equity RM'000
<b>9 MONTHS ENDED 30 SEPTEMBER 2019</b>										
At 1 January 2019	584,147	3,618	396	(16,793)	-	2,773,269	3,344,637	1,097,860	1,271,946	5,714,443
Transactions with owners										
Dividend distributed to equity holders	-	-	-	-	-	(29,208)	(29,208)	-	(54,170)	(83,378)
Effect of loss of control in a subsidiary	-	-	-	(1,148)	-	(6,229)	(7,377)	-	7,377	-
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	(34,829)	-	(34,829)
Total comprehensive income	-	668	-	(13,126)	5	253,984	241,531	34,829	62,437	338,797
At 30 September 2019	584,147	4,286	396	(31,067)	5	2,991,816	3,549,583	1,097,860	1,287,590	5,935,033

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.)

# UMW HOLDINGS BERHAD

(COMPANY NO : 198201010554 (90278-P))  
(INCORPORATED IN MALAYSIA)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2020 (THE FIGURES HAVE NOT BEEN AUDITED)

	9 Months Ended 30/09/2020 RM'000	9 Months Ended 30/09/2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Taxation And Zakat	163,764	443,392
Adjustments for:		
Depreciation and amortisation	276,874	253,415
Net reversal of impairment on:		
- property, plant and equipment	(20)	-
- receivables	(31,668)	(6,785)
Inventories written down	1,811	418
Interest expense	86,399	95,908
Share of results of associates and joint ventures	(96,493)	(211,145)
Gain on disposal of property, plant and equipment	(17,358)	(38,740)
Net fair value (gain)/loss on derivatives	(1,467)	4,672
Net unrealised foreign exchange (gain)/loss	(8,489)	12
Loss on sale of investment	27,927	7,096
Interest and dividend income from other investments	(43,129)	(56,362)
Property, plant and equipment written off	-	224
Others	4,234	(20,401)
Operating Profit Before Working Capital Changes	362,385	471,704
Changes in receivables	569,279	(45,409)
Changes in inventories	269,249	(388,623)
Changes in payables	(390,364)	(117,457)
Cash Generated/(Used in) From Operating Activities	810,549	(79,785)
Interest paid	(87,461)	(67,913)
Taxes and zakat paid	(45,138)	(108,726)
Net Cash Generated/(Used In) From Operating Activities	677,950	(256,424)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net cash inflow arising from disposal of a joint venture	-	6,137
Dividends received	49,910	135,759
Purchase of property, plant and equipment	(174,401)	(251,657)
Proceeds from disposal of property, plant and equipment	56,324	74,609
Interest received	42,271	55,212
Proceeds from disposal of other investments	782,214	580,795
Purchase of other investments	(697,512)	(535,440)
Net Cash Generated From Investing Activities	58,806	65,415
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid to equity holders of the Company	(23,366)	(29,208)
Dividend paid to non-controlling interests	(41,234)	(54,170)
Perpetual sukuk distribution paid	(34,829)	(34,829)
Payment for lease liabilities	(23,150)	(11,939)
Net repayment of loans and borrowings	(424,169)	(141,796)
Net Cash Used In Financing Activities	(546,748)	(271,942)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	190,008	(462,951)
<b>CASH AND CASH EQUIVALENTS AS AT 1 JANUARY</b>	1,411,487	1,315,236
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	3,414	74,249
<b>CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER</b>	1,604,909	926,534

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2019 and accompanying explanatory notes attached to the Interim Condensed Consolidated Financial Statements.)

## **NOTE 1 - Significant accounting policies and application of Malaysian Financial Reporting Standards (“MFRS”)**

### **Basis of preparation**

The interim financial statements have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements have been prepared using historical cost basis except for certain financial assets and financial liabilities that are stated at fair value.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2019. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2019.

The accounting policies adopted in the preparation of the Condensed Report are consistent with those followed in the preparation of the Group’s audited financial statements for the financial year ended 31 December 2019, except for the newly-issued MFRS and amendments to standards to be applied by all Entities Other Than Private Entities for the financial periods beginning on or after 1 January 2020.

The Condensed Report for the period ended 30 September 2020 has been reviewed by the independent auditors, Ernst & Young PLT in accordance with the International Standard on Review Engagement 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*.

### **Adoption of Amendments and Annual Improvements to Standards**

The Group has adopted the following amendments to MFRS for annual financial periods beginning on or after 1 January 2020:

- Amendments to MFRS 3 Business Combinations (Definition of a Business)
- Amendments to MFRS 101 Presentation of Financial Statements (Definition of Material)
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The adoption of the above amended standards did not have any significant effect on the financial performance or position of the Group.

### **Standards issued but not yet effective**

At the date of authorisation of the Condensed Report, the following Standards and Amendments to Standards were issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Group:

### **Effective for financial periods beginning on or after 1 January 2021**

- MFRS 17 Insurance Contracts
- Amendments to MFRS 16 Leases (Covid-19 - Related Rent Concessions)
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 (Interest Rate Benchmark Reform - Phase 2)

## **NOTE 1 - Significant accounting policies and application of Malaysian Financial Reporting Standards (“MFRS”) (Cont’d)**

### **Effective for financial periods beginning on or after 1 January 2022**

- Amendments to MFRS 3 Business Combinations (Reference to the Conceptual Framework)
- Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment–Proceeds before Intended Use)
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts–Cost of Fulfilling a Contract)
- Annual Improvements to MFRS Standards 2018–2020

### **Effective for financial periods beginning on or after 1 January 2023**

- Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 17 Insurance Contracts

### **MFRS, Interpretations and Amendments effective for a date yet to be confirmed**

- Amendments to MFRS 10 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

There are no other new or revised MFRS and amendments to MFRS not yet effective that would likely have a material impact on the Group and the Company in the current or future reporting periods.

## **NOTE 2 - Seasonal or Cyclical Factors**

During the financial period, the businesses of the Group were not affected by any significant seasonal or cyclical factors.

## **NOTE 3 - Exceptional Items**

The COVID-19 outbreak is a global crisis that is having a material impact on the global economy. Malaysia’s GDP declined by 17.1% in the second quarter of 2020, the worst since the fourth quarter of 1998. Subsequently, the World Bank lowered its 2020 economic growth forecast for Malaysia to -4.9% from the previously estimated -3.1%, which is within Bank Negara Malaysia’s revised GDP growth forecast of between -3.5% and -5.5% for the year, taking into account the weaker global growth outlook.

To face the challenges ahead, the Group will remain vigilant and continue to enhance its operational efficiencies as it navigates its way in this unprecedented and fast-changing global situation. The Group is also actively enhancing and redeploying its existing resources to build capabilities, accelerate recovery and retool the business for a new, post COVID-19 world.

#### NOTE 4 - Accounting Estimates

There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in prior years that have a material effect in the current interim period.

#### NOTE 5 - Issuance or Repayment of Debt and Equity Securities

There were no issuances and repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 30 September 2020.

#### NOTE 6 - Dividends Paid

Dividend for the financial year ended 31 December 2019:

- A final single-tier dividend of 2.0 sen per share (2018: 2.5 sen per share), amounting to a net dividend of RM23.4 million (2018: RM29.2 million) was paid on 31 March 2020.

#### NOTE 7 - Segmental Reporting

	Financial Period Ended 30 September 2020		
	Revenue RM'000	Profit/(Loss) Before Taxation RM'000	Profit/(Loss) Attributable to Owners of the Company RM'000
<b>Business Segment</b>			
Automotive	4,815,455	143,562	127,729
Equipment	819,389	84,430	61,006
Manufacturing & Engineering	674,109	38,847	24,098
Others	3,299	(103,075)	(110,844)
<b>Sub-total</b>	<b>6,312,252</b>	<b>163,764</b>	<b>101,989</b>
Less : Profit attributable to Holders of Perpetual Sukuk	-	-	(34,829)
<b>CONSOLIDATED TOTAL</b>	<b>6,312,252</b>	<b>163,764</b>	<b>67,160</b>

There has been no other material increase in total assets compared to the last annual financial statements.

#### NOTE 8 - Subsequent Material Event

In the opinion of the directors, there has been no material event or transaction since the end of current financial period to the date of this announcement which substantially affects the results of the Group for the period ended 30 September 2020.

## NOTE 9 - Changes in Composition of the Group

- a. The Company had, on 10 February 2020, announced the completion of the winding up of Kelang Pembena Kereta2 Sendirian Berhad, a dormant subsidiary of the Group. Kelang Pembena Kereta2 Sendirian Berhad henceforth ceased to be a subsidiary of the Group.
- b. On 2 July 2020, UMW Holdings Berhad, had incorporated a new wholly owned subsidiary known as UMW Automotive Sdn. Bhd. (“UMW Automotive”) under the Companies Act 2016.

The principal activity of UMW Automotive is investment holding.

- c. On 16 October 2020, the Group announced that it had received a copy of the Certificate of Dissolution (authorised on 27 August 2020) from the Secretary of State of the State of Delaware, United States of America, on the dissolution of UTech Americas, Inc., a wholly owned dormant subsidiary in the Group, which was officially filed on 2 October 2020.

## NOTE 10 - Capital Commitments

The Group’s capital commitments as at 30 September 2020 is as follows:

	RM’000	RM’000
<u>Approved and contracted for:</u>		
Land and buildings	21,205	
Equipment, plant and machinery	70,577	
Others	9,107	100,889
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<u>Approved but not contracted for:</u>		
Land and buildings	22,090	
Equipment, plant and machinery	199,264	
Others	27,260	248,614
	<hr/>	<hr/>
<b>Total</b>		<b>349,503</b>
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## NOTE 11 - Significant Related Party Transactions

In the opinion of the directors, save for recurrent related party transactions (“RRPTs”) mandated by shareholders at the 37<sup>th</sup> Annual General Meeting on 25 June 2020, there were no other significant RRPTs.

## NOTE 12 - Classification of Financial Assets

Save for those assets or investments classified as Held For Sale, there were no changes to the classification of financial assets for the period under review.



## NOTE 13 - Changes in Contingent Liabilities and Contingent Assets

Contingent liabilities of the Group are as follows:

	As at 30/09/2020 RM'000	As at 31/12/2019 RM'000
Performance bonds in favour of third parties	14,790	12,320

## NOTE 14 - Review of Performance

### Current Quarter Ended 30 September 2020

	Revenue			Profit/(Loss) Before Taxation		
	Quarter ended 30/09/2020 RM'000	Quarter ended 30/09/2019 RM'000	Variance %	Quarter ended 30/09/2020 RM'000	Quarter ended 30/09/2019 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>2,663,326</b>	<b>2,885,127</b>	<b>(7.7)%</b>	<b>159,543</b>	<b>152,502</b>	<b>4.6%</b>
<b>Business Segment:</b>						
Automotive	2,127,525	2,296,944	(7.4)%	131,572	140,090	(6.1)%
Equipment	296,992	353,660	(16.0)%	34,024	30,772	10.6%
Manufacturing & Engineering	242,253	252,403	(4.0)%	20,340	15,360	32.4%
Others	(3,444)	(17,880)	80.7%	(26,393)	(33,720)	21.7%

### Group

Group revenue of RM2,663.3 million was marginally lower than the RM2,885.1 million reported in the quarter ended 30 September 2019 ("corresponding quarter"). The decrease in revenue was mainly due to lower sales in all business segments, following the Recovery Movement Control Order ("RMCO") due to the COVID-19 pandemic in the current quarter.

Despite the decrease in revenue, the Group reported profit before tax ("PBT") of RM159.5 million in the current quarter which is higher than the RM152.5 million in the corresponding quarter attributed to better profit margin arising from cost optimisation across the Group.

#### i. Automotive Segment

Revenue of RM2,127.5 million was 7.4% lower than the RM2,296.9 million reported in the corresponding quarter, mainly due to a lower number of vehicles sold in the current quarter due to the RMCO.

Accordingly, the segment recorded a profit before tax of RM131.6 million compared with RM140.1 million in the corresponding quarter.

#### ii. Equipment Segment

Revenue of RM297.0 million was lower than the RM353.7 million in the corresponding quarter, mainly caused by continuous lockdowns in countries that the segment operates in.

Nonetheless, the segment's PBT of RM34.0 million was higher than the RM30.8 million profit reported in the corresponding quarter due to better profit margin arising from cost optimisation initiatives.

## NOTE 14 - Review of Performance (Cont'd)

### Current Quarter Ended 30 September 2020 (Cont'd)

#### iii. Manufacturing & Engineering Segment

Revenue of RM242.3 million was lower than the RM252.4 million reported in the corresponding quarter, mainly due to the lower contribution from the Aerospace sub-segment following lower delivery of fan cases in the current quarter.

Despite the decrease in revenue, PBT of RM20.3 million was higher than the RM15.4 million reported in the corresponding quarter primarily due to cost saving initiatives.

### Nine Months Ended 30 September 2020

	Revenue			Profit/(Loss) Before Taxation		
	Nine Months Ended 30/09/2020 RM'000	Nine Months Ended 30/09/2019 RM'000	Variance %	Nine Months Ended 30/09/2020 RM'000	Nine Months Ended 30/09/2019 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>6,312,252</b>	<b>8,636,280</b>	<b>(26.9)%</b>	<b>163,764</b>	<b>443,392</b>	<b>(63.1)%</b>
<b>Business Segment:</b>						
Automotive	4,815,455	6,845,905	(29.7)%	143,562	415,433	(65.4)%
Equipment	819,389	1,080,134	(24.1)%	84,430	108,403	(22.1)%
Manufacturing & Engineering	674,109	734,006	(8.2)%	38,847	30,921	25.6%
Others	3,299	(23,765)	>100%	(103,075)	(111,365)	7.4%

### Group

Group revenue for the period ended 30 September 2020 of RM6,312.3 million was lower than the RM8,636.3 million recorded in the nine months ended 30 September 2019, mainly due to lower revenue in all of its main business segments following continuous lockdowns/Movement Control Order ("MCO") by governments in countries that the Group operates in, as well as general impact of the ongoing COVID-19 pandemic on the Group's operations in the current period. Meanwhile, higher revenue in the non-core property sub-segment contributed to the increase in revenue for the "Others" segment in the current period.

Consequently, Group PBT of RM163.8 million was also significantly lower than the RM443.4 million reported in the corresponding period.

#### i. Automotive Segment

The Automotive segment's revenue for the period of RM4,815.5 million was 29.7% lower than the corresponding period's revenue of RM6,845.9 million mainly due to a lower number of vehicles sold in the current period due to the MCO.

Accordingly, the segment's PBT of RM143.6 million was also significantly lower than the RM415.4 million reported in the corresponding period.

#### ii. Equipment Segment

Revenue of RM819.4 million was lower than the RM1,080.1 million recorded in the corresponding period, mainly due to a slow down in construction, manufacturing, mining and logging activities following the lockdowns in countries that the segment operates in.

In line with the decrease in revenue, PBT of RM84.4 million was lower than the RM108.4 million recorded in the corresponding period.

## NOTE 14 - Review of Performance (Cont'd)

### Nine Months Ended 30 September 2020 (Cont'd)

#### iii. Manufacturing & Engineering Segment

Revenue of RM674.1 million was lower than the RM734.0 million reported in the corresponding period, mainly due to lower revenue contribution from Auto Component and Lubricants sub-segments due to the MCO.

Higher PBT of RM38.8 million reported in the current period compared with RM30.9 million recorded in the corresponding period due to cost saving initiatives.

## NOTE 15 - Comparison with Preceding Quarter's Results

	Revenue			Profit/(Loss) Before Taxation		
	3rd Quarter Ended 30/09/2020 RM'000	2nd Quarter Ended 30/06/2020 RM'000	Variance %	3rd Quarter Ended 30/09/2020 RM'000	2nd Quarter Ended 30/06/2020 RM'000	Variance %
<b>CONSOLIDATED TOTAL</b>	<b>2,663,326</b>	<b>1,529,733</b>	<b>74.1%</b>	<b>159,543</b>	<b>(58,825)</b>	<b>&gt;100%</b>
<b>Business Segment:</b>						
Automotive	2,127,525	1,102,045	93.1%	131,572	(41,711)	>100%
Equipment	296,992	233,243	27.3%	34,024	24,639	38.1%
Manufacturing & Engineering	242,253	183,323	32.1%	20,340	8,027	>100%
Others	(3,444)	11,122	>(100%)	(26,393)	(49,780)	47.0%

### Group

Group revenue of RM2,663.3 million was significantly higher than RM1,529.7 million reported in the preceding quarter ended 30 June 2020 mainly due to improved performance from all its main segments during the Recovery Movement Control Order ("RMCO") period. Meanwhile, higher revenue for the "Others" segment in the preceding quarter was mainly contributed by the non-core property sub-segment.

In line with the significant increase in revenue, the Group reported a PBT of RM159.5 million in the current quarter compared with a loss before tax ("LBT") of RM58.8 million in the preceding quarter.

#### i. Automotive Segment

Revenue of RM2,127.5 million was higher than the RM1,102.0 million reported in the preceding quarter, mainly due to a higher number of vehicles sold in the current quarter. The improved performance during the RMCO period was driven by the sales tax exemption effective from 15 June 2020 to 31 December 2020.

In line with the increase in revenue contribution and a higher share of profit from an associated company, the segment reported a PBT of RM131.6 million compared with a LBT of RM41.7 million in the preceding quarter.

## **NOTE 15 - Comparison with Preceding Quarter's Results (Cont'd)**

### **ii. Equipment Segment**

Revenue of RM297.0 million was higher than the RM233.2 million reported in the preceding quarter, mainly due to an increase in demand for the segment's products and services following the relaxation of the lockdown.

PBT of RM34.0 million was higher than the RM24.6 million recorded in the preceding quarter, in line with the increase in revenue.

### **iii. Manufacturing & Engineering Segment**

Revenue of RM242.3 million was higher than the RM183.3 million reported in the preceding quarter due to the notably improved performance for Auto component and Lubricant sub-segments during the RMCO period.

In line with the increase in revenue, the segment's PBT of RM20.3 million was significantly higher than the RM8.0 million reported in the preceding quarter.

## **NOTE 16 – Current Year Prospects**

### **i. Automotive Segment**

Notwithstanding the ongoing COVID-19 pandemic, consumer sentiment is gradually improving following the economic stimulus measures implemented by the government.

The government's announcement of the sales tax exemption on CKD vehicles (100%) and CBU vehicles (50%) effective from 15 June 2020 to 31 December 2020 is targeted at spurring the growth of the local automotive market. Following the announcement, the Malaysian Automotive Association ("MAA") has revised its total industry volume projection for the year upwards to 470,000 units from its previous forecast of 400,000 units announced in April 2020. The segment is expected to continue to benefit from this measure. UMW Toyota Motor has revised its sales target upwards to 53,000 units from 45,000 units. Likewise, Perodua has also recorded highest sales in the quarter.

In the coming quarter, the Group's new product offering as well as focused sales and marketing initiatives are expected to cushion the impact of the Conditional Movement Control Order ("CMCO") on consumer sentiment.

### **ii. Equipment Segment**

The outlook for the Heavy Equipment sub-segment will continue to remain challenging due to the uncertainties surrounding global trade, regulatory, political and commodity flux as well as the evolving COVID-19 developments. Nonetheless, encouraging demand in the mining and construction sectors in its overseas operations could help cushion the impact.

The Industrial Equipment sub-segment is expected to continue to recover as most business sectors have resumed operations. The introduction of recovery packages to customers have been well received and the market is expected to remain positive with the continuation of these programs. The sub-segment will continue to focus on growth sectors, especially in the essential services category, such as logistics, food & beverages as well as small medium industries.

## NOTE 16 – Current Year Prospects (Cont'd)

### iii. Manufacturing & Engineering Segment

The domestic sales of auto components is expected to further improve following the sales tax “holiday” period given to locally assembled cars until end of the year as well as lower interest rates, which is expected to spur the local automotive market. The lubricants sub-segment will continue to leverage on its OEM partners and strengthen its domestic and overseas sales.

Despite the adverse impact of the COVID-19 pandemic on the aviation sector, the Aerospace sub-segment has made its maiden delivery of Trent 7000 fan case in October 2020, aligning its strategies on products and end-customer diversification.

The Group expects the segment to contribute satisfactorily in the fourth quarter of 2020.

### Group

The Group will continue to focus on strengthening its core business segments and implementing its strategic cost optimisation initiatives to improve business performance and productivity.

Amidst the challenging business environment, the Group will strive to maintain its performance for the remainder of the year.

## NOTE 17 – Variance from Profit Forecast and Profit Guarantee

Not applicable as there was no profit forecast or profit guarantee issued by the Group.

## NOTE 18 - Revenue

Disaggregation of revenue from contracts with customers:

	Sale of vehicle RM'000	Sale of equipment RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of lubricants & related products RM'000	Property Development RM'000	Oil & Gas (Unlisted) RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
<b>FPE 30 Sept 2020</b>											
<b>Business Segment</b>											
Automotive	3,646,613	-	716,709	389,974	62,159	-	-	-	4,815,455	-	4,815,455
Equipment	-	376,677	182,352	53,321	39,473	-	-	-	651,823	167,566	819,389
Manufacturing & Engineering	-	-	248,525	303,201	-	122,383	-	-	674,109	-	674,109
Others	(525)	(1,134)	(11,804)	(1,545)	3,092	(3,940)	8,773	16,661	9,578	(6,279)	3,299
<b>Total</b>	<b>3,646,088</b>	<b>375,543</b>	<b>1,135,782</b>	<b>744,951</b>	<b>104,724</b>	<b>118,443</b>	<b>8,773</b>	<b>16,661</b>	<b>6,150,965</b>	<b>161,287</b>	<b>6,312,252</b>

	Sale of vehicle RM'000	Sale of equipment RM'000	Sale of parts RM'000	Export sales RM'000	Services rendered RM'000	Sale of lubricants & related products RM'000	Property Development RM'000	Oil & Gas (Unlisted) RM'000	Revenue from contracts with customers RM'000	Lease rental income RM'000	Consolidated revenue RM'000
<b>FPE 30 Sept 2019</b>											
<b>Business Segment</b>											
Automotive	5,294,858	-	905,670	538,657	106,720	-	-	-	6,845,905	-	6,845,905
Equipment	-	536,832	336,640	25,978	49,989	-	-	-	949,439	130,695	1,080,134
Manufacturing & Engineering	-	-	277,331	307,312	-	149,363	-	-	734,006	-	734,006
Others	(1,961)	(15,105)	(15,720)	(2,421)	9,927	(4,701)	-	12,796	(17,185)	(6,580)	(23,765)
<b>Total</b>	<b>5,292,897</b>	<b>521,727</b>	<b>1,503,921</b>	<b>869,526</b>	<b>166,636</b>	<b>144,662</b>	<b>-</b>	<b>12,796</b>	<b>8,512,165</b>	<b>124,115</b>	<b>8,636,280</b>

## NOTE 19 - Taxation

	<b>3rd Quarter Ended 30/09/2020 RM'000</b>	<b>Nine Months Ended 30/09/2020 RM'000</b>
Current period provision	(21,259)	(40,002)
Under provision in prior periods	2,772	2,687
	(18,487)	(37,315)
Deferred taxation	(15,140)	(5,810)
Taxation	(33,627)	(43,125)
Zakat	(8,295)	(8,295)
Total taxation and zakat	(41,922)	(51,420)

The effective tax rate for the financial period ended 30 September 2020 was higher than the statutory tax rate of 24.0%, primarily due to losses from certain subsidiary companies which cannot be set-off against profits of other companies and certain expenses which are not deductible for tax purposes.

## NOTE 20 – Corporate Proposals

Following completion of the Group's disposal of industrial leasehold land, together with all remaining buildings, structures and plants, measuring 38.803 acres in Shah Alam on 15 November 2019, the status of utilisation of proceeds is as follows:

Utilisation purposes	Proposed utilisation as set out in the Circular dated 30 September 2019	Actual utilisation as at 19 November 2020	Timeframe for utilisation of proceeds as set out in Circular dated 30 September 2019	
	Amount RM'000	Amount RM'000	Balance to be utilised RM'000	Expected timeframe from receipt of proceeds
Capital expenditure	70,000	70,000	-	12 months
Settlement of maturing debt	150,000	150,000	-	8 months
Working capital of UMW Group	4,068	* 5,380	-	1 month
Special cash dividend	46,732	46,732	-	3 months
Defray estimated expenses relating to the Proposals	16,900	* 15,588	-	4 months
Total	<b>287,700</b>	<b>287,700</b>	-	

\*As disclosed in the Circular to shareholders, any shortfall or excess in funds allocated for estimated expenses will be funded from or used for working capital purposes.

## NOTE 21 - Group Borrowings and Debt Securities

	<b>As at 30/09/2020</b>					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Secured</b>						
Term loans and trade facilities	-	87,863	-	-	-	87,863
	-	87,863	-	-	-	87,863
<b>Unsecured</b>						
Term loans and trade facilities	-	1,878,805	-	140,527	-	2,019,332
- United States Dollar @ 4.1565	34,811	-	-	-	34,811	-
Long term loans payable within 12 months	-	(399,990)	-	399,990	-	-
	34,811	1,478,815	-	540,517	34,811	2,019,332
	<b>34,811</b>	<b>1,566,678</b>	<b>-</b>	<b>540,517</b>	<b>34,811</b>	<b>2,107,195</b>

## NOTE 21 - Group Borrowings and Debt Securities (Cont'd)

	As at 30/09/2019					
	Long Term		Short Term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Unsecured</b>						
Term loans and trade facilities	-	2,535,665	-	112,506	-	2,648,171
- United States Dollar @ 4.082	43,866	-	-	-	43,866	-
Long term loans payable within 12 months	-	(449,995)	-	449,995	-	-
	43,866	2,085,670	-	562,501	43,866	2,648,171
	<b>43,866</b>	<b>2,085,670</b>	<b>-</b>	<b>562,501</b>	<b>43,866</b>	<b>2,648,171</b>

## NOTE 22 – Financial Instruments

### Derivatives

As at 30 September 2020, the Group's outstanding derivative assets and liabilities are detailed below:

Type of Derivative	Tenor	Notional Value RM'000	Fair Value Asset/(Liability) RM'000
Derivative Assets			
- Forward currency contracts	Less than 1 year	20,436	48
- Embedded derivatives	Less than 1 year	519,401	2,678
		539,837	2,726
Derivative Liabilities			
- Forward currency contracts	Less than 1 year	304,065	(1,066)

The Group uses forward currency contracts to hedge the current and future sales and purchases denominated in foreign currencies for which firm commitments existed at the end of reporting date. Derivatives are placed with or entered into with reputable financial institution with high credit ratings and no history of default.

There is no significant change to the type of derivative financial contracts entered into, cash requirements of the derivatives, risk associated with the derivatives and the risk management objectives and policies to mitigate these risks since the financial period ended 30 September 2020 other than expiry of outstanding contracts reported then.

### Fair Value Changes of Financial Liabilities

Other than derivatives which are classified as liabilities if they are at fair value loss position as at the end of the reporting period, the Group does not remeasure its financial liabilities at fair value after initial recognition.

### **NOTE 23 - Material Litigation**

On 26 June 2020, the Group announced material litigation related to a Writ of Summons (“Suit”) filed by Deepak Jaikishan A/L Jaikishan Rewanchand (Plaintiff) against UMW Toyota Motor Sdn Bhd (“UMWT”) (a 51% subsidiary of UMW Holdings Berhad) and others. UMWT was named as the 5th Defendant along with Boustead Holdings Berhad (1st Defendant), Bakti Wira Development Sdn Bhd (2nd Defendant), Cebur Megah Development Sdn Bhd (3rd Defendant), Pesuruhjaya Tanah Persekutuan (4th Defendant) and Suntrack Development Sdn Bhd (6th Defendant).

The Plaintiff had alleged that the Defendants sought to wrongfully deprive the Plaintiff of three parcels of land (“Lands”), one of which is the land currently owned by UMWT where UMWT’s second manufacturing plant is operating (“Bukit Raja land”).

In the Suit, UMWT was alleged to have failed to conduct due diligence before purchasing the Bukit Raja land, and therefore colluding in the tort of conspiracy and/or conspiracy to defraud and/or tort of conversion and/or undue influence carried out by the 1st and 2nd Defendant.

The Plaintiff sought, amongst others:

- 1) general, exemplary and aggravated damages;
- 2) an injunction against the 3rd, 4th, 5th and 6th Defendants from conducting any dealings on the Lands; and
- 3) specific performance against the 3rd, 4th, 5th and 6th Defendants to return the Lands to the Plaintiff through Astacanggih Sdn Bhd.

The Plaintiff had on 19 June 2020, obtained an ex-parte interim injunction order against the Defendants to restrain them from conducting any dealings with respect to the said Lands.

The Kuala Lumpur High Court fixed 1 July 2020 as the date of the inter-parte hearing of the Plaintiff’s injunction application for a further order to restrain the Defendants from engaging in any dealings with the Lands until the conclusion of the Suit.

On 1 July 2020 the hearing for the inter-parte application for injunction was adjourned to 8 July 2020, following which the Kuala Lumpur High Court had issued the decision on 9 July 2020 to dismiss the Plaintiff’s application for the ad interim/inter-parte injunction against UMWT.

With this dismissal of the Plaintiff’s application for the ad interim/inter-parte injunction, and the expiry of the ex-parte interim injunction order on 9 July 2020, there is no longer an injunction in place against UMWT.

UMWT’s application to strike out the Suit was heard at the Kuala Lumpur High Court on 26 August 2020 and the Kuala Lumpur High Court had on 23 September 2020, granted UMWT’s application to strike out the Plaintiff’s claim with costs payable by the Plaintiff to UMWT.

Other than the above, there was no other material litigation involving the Group at the date of this announcement.

### **NOTE 24 - Dividend**

No interim dividend has been recommended for the nine months ended 30 September 2020 (2019: a special dividend of 4.0 sen per share amounting to RM46.7 million in respect of the financial year ended 31 December 2019. The dividend was paid on 23 December 2019).



## NOTE 25 – Earnings Per Share

Earnings per share for the current quarter and financial period ended 30 September 2020 is calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue as at 30 September 2020.

	<b>3rd Quarter Ended 30/09/2020 RM'000</b>	<b>Nine Months Ended 30/09/2020 RM'000</b>
Profit for the period attributable to the owners of the Company (RM'000)	101,282	67,160
Weighted average number of ordinary shares	1,168,293,932	1,168,293,932
Earnings per share (sen)	8.67	5.75

## NOTE 26 - Audit Qualification

The audit report in respect of the annual financial statements for the financial year ended 31 December 2019 was not qualified.

## NOTE 27 - Items to Disclose in the Statement of Comprehensive Income

	<b>3rd Quarter Ended 30/09/2020 RM'000</b>	<b>Nine Months Ended 30/09/2020 RM'000</b>
a. Interest income	6,289	19,853
b. Other investment income	5,107	23,276
c. Depreciation and amortisation	(89,711)	(276,874)
d. Reversal of Impairment losses on receivables (net)	5,988	31,668
e. Reversal of impairment on property, plant and equipment (net)	20	20
f. Gain/(loss) on sale on investment (net)	492	(27,927)
g. Gain on disposal of property, plant and equipment (net)	5,945	17,358
h. Reversal/(provision) of inventories written down	4,678	(1,811)
i. Foreign exchange gain (net)	151	13,295
j. Gain on derivatives (net)	2,110	1,467

**By Order Of The Board**

**MOHD NOR AZAM MOHD SALLEH**  
Practising Certificate No. 201908002015  
Group Secretary

Kuala Lumpur  
25 November 2020